

## Message Text

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ACTION EUR-25

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-11 INR-10 LAB-06

NSAE-00 RSC-01 SIL-01 SAJ-01 OMB-01 NIC-01 DODE-00

PM-07 H-03 L-03 NSC-07 PA-04 PRS-01 SPC-03 SS-20

USIA-15 TRSE-00 DRC-01 /122 W  
----- 126867

R 281704Z MAR 74

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 9132

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

WGZWBASSY DUBLIN 2017

AMEMBASSY THE HAGUE

AMEMBASSY LUXEMBOURG

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AJMISSION EC BRUSSELS 1329

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E.O. 11652: N/A

TAGS: S

AB, UK, PINT

SUBJECT: TUC LOOKS AT THE SOCIAL CONTRACT'S FINE PRINT

1. BEGIN SUMMARY: THE TUC IS PLEASED, IF NOT "EUPHORIC"  
- TO BORROW LEN MURRAY'S TERM - WITH THE PROGRESS THE  
LABOR GOVERNMENT HAS DEMONSTRATED IN MEETING ITS COMMIT-  
MENTS UNDER ITS "SOCIAL CONTRACT" WITH THE TRADE UNION  
MOVEMENT. THE TUC, HOWEVER, IS NOT RUSHING TO PLEDGE  
FULFILLMENT OF ITS OWN PART OF THE BARGAIN -- A  
"GUARANTEE"

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OF WAGE RESTRAINT -- AND IT WILL EXAMINE,

IN CONCERT WITH GOVERNMENT MINISTERS IN THE WEEK  
AHEAD THE FINE PRINT IN THE NOW FAMOUS ACCORD, AND  
TALK TO THEM ABOUT WHAT IT CONSIDERS TO BE URGENT  
UNFINISHED BUSINESS. IN THE MEANWHILE, THE TUC  
ABILITY TO HOLD BACK SOME OF ITS MORE AGGRESSIVE  
AFFILIATES HAS BEEN PUT IN QUESTION AS HUGH SCANLON'S  
AUEW ANNOUNCED AN OVERTIME BAN IN THE ENGINEERING  
INDUSTRY, FROM APRIL 15, IN SUPPORT OF ITS IDAGE CLAIMS.  
END SUMMARY

2. WHEN THE TUC ECONOMIC COMMITTEE MET WITH PRIME  
MINISTER HAROLD WILSON AND AN ARRAY OF HIS SENIOR  
MINISTERS, THE MOOD WAS, AS MURRAY LAYUR REPORTED,  
"FRIENDLY BUT NOT EUPHORIC." ALTHOUGH MURRAY'S  
DESCRIPTION MAY HAVE BEEN LESS GENEROUS THAN ONE  
MIGHT HAVE EXPECTED OF A GROUP OF VICTORIOUS COMRADES-  
IN-ARMS, THE FACT REMAINS THAT THE TUC LEADERSHIP  
REFRAINED FROM GIVING ANY GUARANTEES OF WAGE RESTRAINT  
ON BEHALF OF ITS AFFILIATES, OFFERING INSTEAD ITS  
COOPERATION. IN MURRAY'S WORDS, THE YSTUV WOULD BE  
WILLING TO ASSIST THE GOVERNMENT IN DEALING WITH THE  
MAJOR PROBLEMS FACING THE NATION, INCLUDING THE RE-  
STRUCTURING OF INDUSTRY AND THE PROBLEM OF INFLATION."

3. A MORE CONCRETE EXPRESSION OF THE TUC TO CARRY OUT  
ITS PART OF THE BARGAIN WILL BE HAMMERED OUT IN A  
SERIES OF MEETINGS WITH KEY MINISTERS, STARTING ON  
MONDAY WITH MICHAEL FOOT, SECRETARY OF STATE FOR EMPLOY-  
MENT.

(HE WILL ALSO BE MEETING WITH REPRESENTATIVES  
OF THE "OTHER SIDE OF INDUSTRY" SUCH AS THE CBI AND  
THE ENGINEERING FEDERATION, WHEN THEY WILL ALSO DISCUSS  
THE TROUBLESOME AUEW CLAIM). IT APPEARS TO BE CLEAR  
THAT BOTH TUC AND LABOR MINISTERS ARE ANXIOUS TO AVOID  
THE KIND OF "BREATHLESS - TO THE BRINK" MEETINGS AT  
10 DOWNING STREET WHICH CHARACTERIZED SEVERAL OF THE  
ENCOUNTERS UNDER THE HEATH GOVERNMENT.

4. THE TUC LEADERSHIP IS FACED WITH SEVERAL DILEMMAS.  
IT IS IN FACT QUITE PLEASED WITH THE PROGRESS MADE BY  
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THE NEW GOVERNMENT IN CARRYING OUT ITS COMMITMENTS --  
ON PENSIONS, ON RENTS, FOOD SUBSIDIES AND HOUSING --  
IN FACT A WIDE RANGE OF SOCIAL, ECONOMIC AND FISCAL  
DECISIONS. MOST OF ITS KEY LEADERS -- NOTABLY JACK  
JONES -- ARE SYMPATHETICALLY COGNIZANT OF THE GOVERN-  
MENT'S MINORITY POSITION. BUT, AT THE SAME TIME, THEY  
ARE FEARFUL THAT THEY MAY BE LEFT "HOLDING THE BAG" IF  
THE GOVERNMENT GOES FOR AN EARLY ELECTION BEFORE IT CAN

CARRY OUT ITS VITAL PLEDGE TO REPEAL THE INDUSTRIAL RELATIONS ACT AND REPLACE IT WITH OTHER LEGISLATION THAT RETAINS AND REINFORCES THE TRADE UNION MOVEMENT'S HISTORIC RIGHTS. MOREOVER, THEY ARE AFRAID UNDER SUCH CIRCUMSTANCES THAT THE STATUTORY INCOMES POLICY AND THE PAY BOARD WOULD REMAIN STANDING.

5. THERE IS OF COURSE ANOTHER PROBLEM, AN OLD ONE. TO WHAT EXTENT DOES THE TUC REALLY HAVE THE POWER TO CONTROL ITS AFFILIATES, OR EVEN MORE IMPORTANTLY, TO WHAT EXTENT ARE EVEN POWERFUL LEADERS LIKE JACK JONES ABLE TO CONTROL THEIR MINIONS ON THE SHOP FLOOR? FOR EXAMPLE, EVEN AS HE WAS MEETING LAST NIGHT WITH PRIME MINISTER WILSON, THE AUEW LEADER, HUGH SCANLON, WAS ANNOUNCING THAT OVER TWO MILLION ENGINEERING WORKERS

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WOULD BE INVOLVED IN AN OVERTIME WORK BAN FROM APRIL 15  
IN SUPPORT OF THEIR SUPRA-STAGE THREE WAGE CLAIM.

6. THESE AND OTHER DILEMMAS FOR THE TUC -- AND OF  
COURSE ULTIMATELY FOR THE GOVERNMENT -- WERE MIRRORED  
IN THE TUC GENERAL COUNCIL MEETING JUST BEFORE MANY OF  
THEM WENT OFF TO 10 DOWNING STREET. AS ONE TUC OFFICIAL  
TOLD US: "THERE WAS A LOT OF CARPING ABOUT THE BUDGET,  
PARTICULARLY ABOUT A NUMBER OF NEW TAXES WHICH WOULD  
HIT THE LOWER-PAID." HE ADDED THAT THESE CRITICISMS  
CAME FROM A POLITICALLY WIDE-RANGING GROUP WHICH  
INCLUDED JOE GORMLEY, LAWRENCE DALEY, GEORGE DOUGHTY,  
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ALLEN SAPPER, AND CYRIL PLANT. THE CRITICS WERE  
COUNTERED BY ANOTHER GROUP OF LEADERS -- A SIMILARLY  
MIXED POLITICAL BAG WHICH INCLUDED JACK JONES, FRANK  
CHAPPLE, ALF ALLEN AND SURPRISINGLY THAT STORMY PETREL,  
RAY BUCKTON -- ALL OF WHOM STRESSED "THE GOOD THINGS  
THE GOVERNMENT HAD DONE." OUR SOURCE ADDED THAT  
BUCKTON DECLARED: "THE GOVERNMENT DESERVES SUPPORT AND  
IS ENTITLED TO EXPECT COOPERATION FROM THE TUC."

7. BUT THE WORRIES PERSISTED, AS OTHER COUNCIL MEMBERS  
EXPRESSED CONCERN ABOUT THE SLOWNESS OF REPEAL OF THE  
INDUSTRIAL RELATIONS ACT, ABOUT THE DIFFICULTY OF  
RESTRAINING WAGE DEMANDS AT THE WORKPLACE (JOE GORMLEY,  
WITH HIS EYE ON THE MINERS' NEXT ROUND OF WAGE NEGOTIA-  
TIONS STRESSED THIS POINT), AND OTHER ISSUES. (IN THE  
END, THE COUNCIL UNANIMOUSLY AGREED TO A SOMEWHAT BLAND  
STATEMENT IN SUPPORT OF THE BUDGET, WHICH SAID THAT IT  
WAS "AIMED IN THE RIGHT DIRECTION" AND WHICH COMMENDED  
THE GOVERNMENT FOR THE MEASURES ALREADY ANNOUNCED OR  
PLANNED FOR THIS AUTUMN. IT ALSO AGREED, UNANIMOUSLY,  
TO SEND ITS ECONOMIC COMMITTEE TO 10 DOWNING STREET,  
BEARING CONGRATULATIONS AND GOOD WISHES TO PRIME  
MINISTER WILSON AND HIS COLLEAGUES, BUT ALSO ARMED WITH  
THE KEY RESERVATIONS AND CONCERNS OF ITS MEMBERS.)

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## Message Attributes

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